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*Federal National Mortgage Association*

**UNITED STATES DISTRICT COURT**  
**DISTRICT OF NEVADA**

FEDERAL NATIONAL MORTGAGE  
ASSOCIATION; PHH MORTGAGE  
CORPORATION,

Plaintiffs,

vs.

AURORA PEAK AVENUE TRUST,

Defendant.

Case No. 2:17-cv-02521-JAD-VCF

**JOINT STIPULATION/MOTION TO  
DROP PHH MORTGAGE  
CORPORATION AS PLAINTIFF**

ECF Nos. 15, 18

Co-Plaintiffs Federal National Mortgage Association (“Fannie Mae”) and PHH Mortgage Corporation (“PHH”), by and through their undersigned counsel of record, hereby move this Honorable Court to drop or remove PHH as a party plaintiff pursuant to Fed. R. Civ. P. 21. To assist with obtaining a final order or judgment of this Court, this motion is simultaneously filed with and in conjunction with Fannie Mae’s Application for Default Judgment and relies on the Declaration of Graham Babin attached thereto and contained therein as Exhibit 3 (“Babin Dec.”).

This action was originally brought and filed on behalf of Fannie Mae and its then loan servicer PHH. (*See* Babin. Dec. at ¶ 9; *see also* ECF No. 1 at ¶ 26). Fannie Mae owns the loan and deed of trust at issue, and ultimately seeks a declaratory judgment that its deed of trust continues to encumber the property located at 8240 Aurora Peak Ave., Las Vegas, Nevada,

1 89131, APN 125-16-114-014 (hereinafter the “Property”), despite a homeowners association  
2 (“HOA”) foreclosure sale of the Property. (*See* ECF No. 1 at ¶¶ 1 & 12).

3 However, PHH no longer services the loan at issue for Fannie Mae. (*See* Babin Dec. at ¶  
4 9). PHH’s servicing rights were transferred to Rushmore Loan Management Services, LLC in  
5 the middle of this litigation on or about May 31, 2018. (*See id.*). PHH therefore no longer has  
6 an interest in this litigation, while Fannie Mae continues to own the loan and deed of trust at  
7 issue.

8 Under Fed. R. Civ. P. 21, a “court may at any time, on just terms, add or drop a party.”  
9 Although this rule is often applied in the context of misjoinder and nonjoinder of parties, courts  
10 may use this rule outside that context. *See* 4 Moore’s Federal Practice – Civil § 21.05 (2019).  
11 When exercising its discretion to add or drop a party, courts consider principles of fundamental  
12 fairness and judicial efficiency including prejudice to a party and undue delay. *See* 4 Moore’s  
13 Federal Practice – Civil § 21.02 (2019).

14 Notably in this case, no prejudice or undue delay would result from dropping PHH as a  
15 party. PHH no longer has an interest in this matter as servicer of the loan at issue, and removing  
16 it as a party plaintiff would help facilitate a final judgment through Fannie Mae’s pending  
17 Application for Default Judgment.

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1 For these reasons, Fannie Mae and PHH respectfully request an order removing PHH as a  
2 party plaintiff so that the instant action can proceed in the name of Fannie Mae only.

3 Dated this 30<sup>th</sup> day of July, 2019

Dated this 30<sup>th</sup> day of July, 2019

4 ALDRIDGE PITE, LLP

BALLARD SPAHR, LLP

5  
6 /s/ Jory C. Garabedian

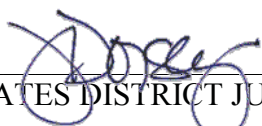
/s/ Joel E. Tasca

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10 *Federal National Mortgage Association*

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*Attorney for Plaintiff*  
*PHH Mortgage Corporation*

11 **IT IS SO ORDERED.**

12 8/14/19  
13 DATED: \_\_\_\_\_

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UNITED STATES DISTRICT JUDGE